

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re

25-30484-pcm11 (Lead Case);
Case No. **25-30486 (Jointly Administered)**
Amended

Debtor

Notice of Final Hearing on Motion [Check One]
For Use of Cash Collateral
To Obtain Credit

YOU ARE NOTIFIED THAT:

1. The undersigned moving party, **Sherwood Hospitality Group, LLC and DVKOCR Tigard, LLC**, filed a Motion For Use of Cash Collateral To Obtain Credit (check one). The motion is attached and includes the statement required by [Local Bankruptcy Form \(LBF\) 541.5, Procedures re: Motions for Use of Cash Collateral or to Obtain Credit](#).
2. The name and service address of the moving party's attorney (or moving party, if no attorney) are: _____
3. An evidentiary hearing on the motion, at which witnesses may testify, will be held as follows:

Date: _____ **Time:** _____

Location:

Courtroom # _____, **USBC, 1050 SW 6th Ave., 7th Floor, Portland, OR 97204**

Te Telephone Hearing [See [LBF 888](#), *Telephone Hearing Requirements*.]

Call In Number: (855) 244-8681

Access Code: 2319 199 8338 for Judge David W. Hercher (dwh)
2311 562 9438 for Judge Peter C. McKittrick (pcm)
2303 266 1826 for Judge Teresa H. Pearson (thp)
2318 130 5070 for Judge Thomas M. Renn (tmr)

Video Hearing. To connect, see www.orb.uscourts.gov/video-hearings.

4. If you wish to object to the motion, you must, within 14 days of the service date shown in paragraph 5 below, file with the clerk at 1050 SW 6th Ave. #700, Portland OR 97204 or 405 E 8th Ave. #2600, Eugene OR 97401: (1) a written response which states the facts upon which you will rely, and (2) a certificate showing the response has been served on the U.S. trustee and the attorney or party named in paragraph 2 above.
5. I certify that on _____ this notice and the motion were served pursuant to Federal Rule of Bankruptcy Procedure (FRBP) 7004 on the debtor(s), any debtor's attorney, any trustee, any trustee's attorney, members of any committee appointed under 11 U.S.C. § 1102 or elected pursuant to 11 U.S.C. § 705 or its authorized agent (or, if no committee in a chapter 11 case, on all creditors listed on the list filed pursuant to FRBP 1007(d)), any creditors' committee attorney, the U.S. trustee, and all entities with any interest in the cash collateral subject to this motion, whose names and addresses used for service are as follows:

Signature of Moving Party or Attorney

OSB#

(If debtor is movant) Debtor's Address & Last 4 Digits of Taxpayer ID#

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Proposed Attorneys for Debtors-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
 DISTRICT OF OREGON

In re)	Case Nos. 25-30484-pcm11 (Lead Case);
)	25-30486-pcm11 (Jointly Administered)
Sherwood Hospitality Group, LLC and)	
DVKOCR Tigard, LLC,)	
)	DEBTORS' MOTION FOR ENTRY OF
Debtor-in-Possession.)	FINAL ORDER AUTHORIZING USE OF
)	CASH COLLATERAL AND EXISTING
)	CASH MANAGEMENT SYSTEMS
)	
)	LBR 9013-1(b)(1) Parties: L-O Sherwood
)	Finance, LLC; L-O Tigard Finance, LLC
)	
)	
)	
)	

Pursuant to sections 105(a), 345(b), and 363(c) of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 4001(b) and 9014 of the Federal Rules of Bankruptcy Procedures (the “**Bankruptcy Rules**”), Debtors¹ Sherwood Hospitality Group, LLC (“**Sherwood Hospitality**”) and DVKOCR Tigard, LLC (“**DVKOCR**”) (phonetic: dah vee kOr), individually and collectively, move this Court for entry of an entry of an order, substantially in the form

¹ “**Debtors**” means collectively the two entities designated as a debtor in the above-captioned cases (each a “**Debtor**”) that filed voluntary petitions for relief on February 17, 2025 in the United States Bankruptcy Court for the District of Oregon.

1 attached hereto as Exhibit 1, (the “**Proposed Order**”) authorizing use of cash collateral and
2 existing cash management systems, granting adequate protection, and granting related relief. In
3 support of the Motion, Debtors rely on the Declaration of Alkesh Patel in Support of Management
4 Motions (the “**Patel Dec.**”). In further support of the Motion, the Debtors respectfully represent as
5 follows:

6 **JURISDICTION AND VENUE**

7 1. On February 17, 2025 (the “**Petition Date**”), the Debtors filed voluntary petitions
8 under chapter 11 of the Bankruptcy Code. Pursuant to sections 1107 and 1108 of the Bankruptcy
9 Code, the Debtors continue to operate and manage their properties as debtors-in-possession.

10 2. The United States Bankruptcy Court for the District of Oregon (the “**Court**”) has
11 jurisdiction over this matter pursuant to 28 U.S.C. § 1334; this matter is a core proceeding within
12 the meaning of 28 U.S.C. § 157(b). Debtors confirm their consent to the Court’s entry of a final
13 order in connection with this motion (the “**Motion**”) to the extent that it is later determined that
14 the Court, absent consent of the parties, cannot enter final orders or judgments in connection
15 herewith consistent with Article III of the United States Constitution. Venue is proper pursuant to
16 28 U.S.C. § 1408 and 1409.

17 3. The statutory bases for the relief requested include sections 105(a), 345, and 363 of
18 the Bankruptcy Code and Bankruptcy Rules 4001 and 9014.

19 **FACTUAL BACKGROUND**

20 **I. The Debtor’s Business**

21 4. Each of the Debtors is a real estate holding company with its primary asset being
22 an interest in a parcel of real estate together with the structure(s) and improvements thereon.
23 Sherwood Hospitality owns a 60% interest in the real property with an address of 22000 SW
24 Meinecke Parkway, Sherwood, Oregon 97140 (the “**Sherwood Property**”) upon which is situated
25 a 73-room hotel branded as a Hampton Inn & Suites (the “**Sherwood Hotel**”). DVKOCR owns a
26 100% interest in the real property with an address of 11799 SW 69th Avenue, Tigard, Oregon

1 97223 (the “**Tigard Property**”) upon which is situated a 152-room hotel branded as a Hampton
 2 Inn & Suites (the “**Tigard Hotel**”).² See Patel Dec. ¶ 4.

3 5. Both the Sherwood Property and the Tigard Property are part of an asset
 4 management portfolio managed by Evergreen Hospitality Group, LLC (“**Evergreen**”). While
 5 Evergreen provides back office and related asset-based services, it does not provide services for
 6 day-to-day operations and management of the Hotels. Moreover, neither Sherwood Hospitality nor
 7 DVKOCR have any employees whatsoever, including employees to operate the Hotels. *Id.* at ¶ 5.

8 6. Sherwood Hospitality and DVKOCR contracted with Resolution Road Hospitality,
 9 a Delaware limited liability company, (“**RRH**”) to provide management and operational services
 10 in connection with the Hotels. This includes (a) supply of the necessary workforce to provide
 11 staffing and services at the Hotels, (b) collection of all room rates, taxes, and related remittances
 12 due to the Hotels from their respective guests, (c) payment of all operating expenses for the Hotels,
 13 including payroll expenses and transient lodging taxes, and (d) establishment and maintenance of
 14 operating financial accounts to provide for receipt of income and expenditures for expenses related
 15 to operations of the Hotels. The agreements between the Debtors and RRH were memorialized in
 16 the form of Hotel Management Agreements, both dated November 1, 2023 (collectively the “**Hotel**
 17 **Management Agreements**”). *Id.* at ¶ 6.

18 7. Debtors maintain financial accounts at Wells Fargo, NA (“**Wells Fargo**”) for
 19 receipt of all revenue derived from the operations of the Hotels. Debtors’ accounts at Wells Fargo
 20 are subject to Deposit Account Control Agreements (“**DACA**”) in favor of secured creditors L-O
 21 Sherwood Finance, LLC (“**L-O Sherwood**”) and L-O Tigard Finance, LLC (“**L-O Tigard**”).
 22 Pursuant to the authority under the DACA and in keeping with security interests held by L-O
 23 Sherwood and L-O Tigard, described below, the Wells Fargo accounts are subject to the liens held
 24 by L-O Sherwood and L-O Tigard so that control of the Debtors’ receipts are maintained by those
 25

26 ² The Sherwood Hotel and the Tigard Hotel are collectively referred to as the **Hotels** in connection
 with this Motion.

1 secured creditors. *Id.* at ¶ 12.

2 8. In order to facilitate payment of the operating expenses of the Hotels, RRH supplies
3 L-O Sherwood and L-O Tigard with information regarding such expenses and obtains such
4 creditors' consent to receive sufficient funding for the expenses. L-O Sherwood and L-O Tigard
5 then transfer the approved sums to RRH in order to allow it to make disbursements for ordinary
6 operating expenses consistent with RRH's obligations under the Hotel Management Agreements.
7 As outlined in the Hotel Management Agreements, RRH segregates the funds it receives for
8 payment of the Debtors' operating expenses and does not commingle such funds with RRH's
9 property. *Id.* at ¶ 13.

10 9. Additional information regarding the Debtors; business, capital structures, and the
11 events leading to the commencement of this Chapter 11 case may be found in the Patel Dec., filed
12 contemporaneously herewith and incorporated herein by reference.

13 II. Secured Creditors' Interests in Collateral

14 10. Cash collateral, as defined in section 363(a) of the Bankruptcy Code, includes,
15 without limitation, all checks, receipts, payments, proceeds, products, offspring, rents, or profits
16 arising from the prepetition or postpetition use, lease, sale, or disposition of a secured creditor's
17 collateral. L-O Sherwood and L-O Tigard assert liens in certain of the Debtors' assets pursuant to
18 various loan agreements, notes, deeds of trust, security agreements, and other documents, to secure
19 obligations in the principal amount of approximately \$11,300,000.00 as to L-O Sherwood and
20 \$23,800,000.00 as to L-O Tigard as of the Petition Date. L-O Sherwood and L-O Tigard's security
21 interests were perfected by (a) a deed of trust, including an assignment of leases and rents, in favor
22 of L-O Sherwood filed in Washington County, Oregon against the Sherwood Property on October
23 12, 2018; (b) a deed of trust, including an assignment of leases and rents, in favor of L-O Tigard
24 filed in Washington County, Oregon against the Tigard Property on December 14, 2018; (c) a
25 UCC-1 filed on October 12, 2018 with the Oregon Secretary of State naming Sherwood Hospitality
26 Group as the debtor and L-O Sherwood as the secured party; and (d) UCC-1 filed on December

1 17, 2018 with the Oregon Secretary of State naming DVKOCR as the debtor and L-O Sherwood
2 as the secured party. *See* Patel Dec., at ¶ 14.

3 11. The UCC-1 against Sherwood Hospitality Group was assigned to L-O Repo Seller,
4 LLC by a filing on January 27, 2021, and then re-assigned to L-O Sherwood by a filing on
5 December 27, 2022. A continuation statement for the UCC-1 against Sherwood Hospitality Group
6 was filed on July 13, 2023, and a continuation statement for the UCC-1 against DVKOCR was
7 filed on July 24, 2023. Both UCC-1 statements describe the collateral as “All assets of Debtor,
8 whether now owned or existing, or hereafter acquired or arising and wheresoever located, and all
9 proceeds and products thereof.” *Id.* at ¶ 15.

10 12. The estimated value of the Sherwood Property and the Sherwood Hotel is
11 approximately \$15,500,000 as of the Petition Date. The estimated value of the Tigard Property and
12 the Tigard Hotel is \$37,000,000 as of the Petition Date. Debtors’ cash holdings, pending receipts,
13 and furniture, fixtures, and equipment add to the collateral base for L-O Sherwood and L-O Tigard.
14 Through discussion with their counsel, the Debtors understand that L-O Sherwood and L-O Tigard
15 consent to the use of its cash collateral and maintenance of the cash management system on the
16 basis proposed herein. *Id.* at ¶ 16.

17 13. Some taxing authorities, suppliers, and vendors of the Debtors may be entitled to
18 assert statutory liens against property of the Debtors, however, to the Debtors’ knowledge no such
19 liens have been filed (and any liens previously filed have been satisfied) and the Debtors have not
20 evaluated the extent or validity of any such liens. In seeking the relief requested herein, the Debtors
21 do not intend to alter, modify, or impair the rights of any statutory lien claimant. *Id.* at ¶ 17.

22 14. The Debtors believe that L-O Sherwood and L-O Tigard are the only creditors that
23 have or may claim an interest in the Debtors’ existing cash collateral and in the Debtors’ accounts,
24 payment intangibles, and other assets that will be used and collected by the Debtors postpetition
25 in the ordinary course of business to generate additional cash collateral. *See* Patel Dec., at ¶ 18.

III. The Debtors' Need to Use Cash Collateral

15. The Debtors require continued use of cash collateral to operate and maintain the Sherwood Hotel and the Tigard Hotel and preserve the value of the respective estates. Without the use of cash collateral, the Debtors, through RRH, will not have the funds necessary to pay the ordinary expenses, including, wages and other payroll expenses, rents, utilities, insurance, and taxes for operation of the Hotels. As outlined in the Debtors' Motion for Approval of Assumption of Hotel Management Agreements [Docket No. 30], the relationship between the Debtors, L-O Sherwood, L-O Tigard, and RRH is crucial to maintaining services to the guests of the Hotels and preserving the branding and value of the Hotels and the Debtors' estates. Accordingly, to preserve its value as a going concern, the Debtors require the ongoing use of cash collateral. *See* Patel Dec. ¶ 19.

IV. Continued Use of DACAs to Facilitate Hotel Management and Use of Cash

16. As outlined above, the Debtors use of the receipts from operations of the Hotels depends on the consent of L-O Sherwood and L-O Tigard for use of their cash collateral and access and operational oversight of RRH to pay the cost for running the Hotels. Use of the DACAs along with coordination with RRH provides for an existing framework to allow for proper function of hotel operations without disruption. *See* Patel Dec. ¶ 20.

17. In contrast, having the Debtors upend those systems to create new bank accounts and re-establish the necessary connections to avoid operational disruptions would be inconsistent with the obligations owed by the Debtors to L-O Sherwood, L-O Tigard, and RRH and would be an unnecessary administrative burden on the Debtors. As such, the Debtors seek authorization to maintain the DACAs for receipt of income from the Hotels and payment of operating expenses by RRH. *Id.* at ¶ 21.

18. Section 345 commands that the debtor-in-possession require a bond in favor of the United States, which is generally accomplished by opening a designated debtor-in-possession account with a depository institution approved by the United States Trustee. However, the court

1 may order otherwise and this command does not require compliance if the deposit is federally
 2 insured. 11 U.S.C. § 345(b). A review of the recent activity in the DACAs shows that the balance
 3 has not exceeded the insurance limits provided by the FDIC. In light of this, and the need for
 4 continued maintenance of the financial arrangements with L-O Sherwood, L-O Tigard, and RRH,
 5 cause exists for the court to approve continued use of the DACAs. To ensure compliance with
 6 section 345 as to other proceeds or payments outside of ordinary receipts and in amounts that
 7 would exceed the available deposit insurance, the Debtors intend to each establish debtor-in-
 8 possession accounts at Wells Fargo for such monies received by the respective estates. *Id.* at ¶ 23.

9 **RELIEF REQUESTED**

10 19. The Debtor requests that the court authorize its use of cash collateral and its existing
 11 cash management systems under the terms and conditions of the Proposed Order.

12 **BASIS FOR RELIEF REQUESTED**

13 20. The Debtor requires the use of cash collateral to preserve the value of its business
 14 as a going concern and to preserve and maintain the assets of the bankruptcy estate. The Debtors
 15 recognize that L-O Sherwood's and L-O Tigard's interests in cash collateral is entitled to adequate
 16 protection. *See* 11 U.S.C. § 363(e). Exactly what constitutes adequate protection must be decided
 17 on a case-by-case basis. *See In re Energy Partners, Ltd.*, 409 BR 211, 236 (Bankr. S.D. Tex 2009)
 18 (*citing MBank Dallas, N.A. v. O'Connor (In re O'Connor)*, 808 F2d 1393, 1396-97 (10th Cir
 19 1987)); *In re Martin*, 761 F2d 472, 476 (8th Cir 1985). The focus of this requirement is to protect
 20 secured creditors from diminution in the value of their collateral during the reorganization process.
 21 *Energy Partners*, 409 BR at 236.

22 21. As an initial matter, L-O Sherwood holds an equity cushion of approximately
 23 \$4,390,443, or approximately 28% (cushion of \$4,390,443 to secure obligations of approximately
 24 \$11,109,557). L-O Tigard holds an equity cushion of approximately \$8,714,613 or approximately
 25 23% (cushion of \$8,714,613 to secure obligations of approximately \$28,285,387). Courts routinely
 26 hold that equity cushions of between 11.45% and 20% have been approved as providing adequate

1 protection for use of a lender's cash collateral. *In re Mellor*, 734 F2d 1396, 1400 (9th Cir 1984)
2 (holding that a 20% equity cushion constituted adequate protection to a secured creditor); *In re*
3 *Boulders on the River*, 164 BR 99, 104 (9th Cir BAP 1994) (authorizing use of cash collateral
4 where secured creditor was protected with an equity cushion of 11.45%). Accordingly, L-O
5 Sherwood and L-O Tigard are adequately protected by their equity cushion alone.

6 22. L-O Sherwood and L-O Tigard, by virtue of section 552(b)(2), also hold continuing
7 liens in postpetition property in the nature of "rents ... or other payments for the use or occupancy
8 of rooms and other public facilities for use of their cash collateral by providing post-petition
9 replacement liens. The Bankruptcy Code recognizes the provision of additional or replacement
10 liens as a form of adequate protection. 11 U.S.C. § 361(2). The purpose of replacement liens as a
11 form of adequate protection is to compensate the secured creditor for any decrease in the value of
12 its pre-petition collateral. *See In re Pacific Lifestyle Homes, Inc.*, 2009 WL 688908, at *8 (Bankr.
13 W.D. Wash. Mar. 16, 2009).

14 23. In addition, the Debtors will continue to allow L-O Sherwood and L-O Tigard to
15 exercise control of the cash collateral. While this arrangement arguably requires no court
16 authorization, as it is being done with the creditors' consent, the Debtors believe an order is
17 appropriate to authorize adequate protection payments and to ensure transparency into the control
18 and use of funds deposited into the Debtors' accounts and to ensure that the Debtors and RRH are
19 both in a position to perform their obligations under the Hotel Management Agreements. *See* 11
20 U.S.C. § 363(c)(2) (allowing use of cash collateral with consent). As set out above, the seamless
21 function of the relationship between the Debtors, L-O Sherwood, L-O Tigard, and RRH is essential
22 to ensure the operations of the Hotels continue without disruption and that guests of the Hotels are
23 provided with the services they expect. *Id.* at ¶ 23.

24 24. Finally, Sherwood Hospitality Group is under contract with a buyer for a sale of
25 the Sherwood Property and the Sherwood Hotel for the sum of \$15,500,000 with an expected
26 closing in May 2025. Ensuring operations through closing is vital to facilitating a completion of

1 that sale, which is projected to satisfy the claim of L-O Sherwood in full and provide additional
2 cash proceeds to pay other creditors. Debtors submit that the equity cushions, continuing liens,
3 continued use of the DACAs, and, when received, proceeds from the sale of the Sherwood Property
4 and Sherwood Hotel, will adequately protect L-O Sherwood and L-O Tigard from any diminution
5 in the value of their collateral during the case. Moreover, the Debtors' use of cash collateral is in
6 the best interests of the Debtors' estates because the continued value of operating Hotels greatly
7 outweighs the risks and costs of defaulting on the Hotel Management Agreements with RRH and
8 having the Debtors forced to cease operations of the Hotels and liquidate their assets. *Id.* at ¶ 24.

9 25. Closely associated with the approval for use of cash collateral is the authorization
10 to continue use of the DACA accounts for ordinary income and expenses from operations of the
11 Hotels. Cause exists under section 345(b) for the court to approve continued use of the DACA
12 accounts and recent history suggests that funds held in the DACA accounts will be protected by
13 the available FDIC insurance carried by Wells Fargo Patel Decl., at ¶ 12. Therefore, to avoid
14 disruption and maintain current oversight of cash collateral, the court should approve continued
15 use of the DACA accounts on the terms and conditions provided in the attached proposed Order.

16 **CONCLUSION**

17 WHEREFORE, the Debtors respectfully request entry of the proposed order granting the
18 relief requested herein, and such other and further relief as the court may deem just and appropriate.

19 Dated this 28th day of February, 2025.

20 SUSSMAN SHANK LLP

21
22 By /s/ Douglas R. Ricks
23 Douglas R. Ricks, OSB No. 044026
24 Proposed Attorneys for Debtors
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IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re)	Case Nos. 25-30484-pcm11 (Lead Case);
)	25-30486-pcm11 (Jointly Administered)
Sherwood Hospitality Group, LLC and)	
DVKOCR Tigard, LLC,)	
)	
Debtor-in-Possession.)	[PROPOSED] ORDER AUTHORIZING
)	USE OF CASH COLLATERAL AND
)	EXISTING CASH MANAGEMENT
)	SYSTEMS
)	
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THIS MATTER came before the Court on Debtors’ Motion for Entry of Final Order Authorizing Use of Cash Collateral and Existing Cash Management Systems [ECF No. __] (the “**Motion**”)¹, pursuant to section 105(a), 345, and 363 of the Bankruptcy Code and Bankruptcy Rules 4001(b) and 9014, authorizing the Debtors’ use of the cash collateral of L-O Sherwood and L-O Tigard and the continued use of certain financial accounts; having considered the Motion and

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

1 the Declaration of Alkesh Patel in support of the Motion; having determined that this court has
 2 jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; with proper and adequate
 3 notice of the Motion having been given; having determined that no other or further notice is
 4 necessary; having determined that the legal and factual bases set forth in the Motion establish just
 5 cause for the relief granted herein; and this court having determined that the relief sought in the
 6 Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in
 7 interest; and being otherwise fully advised,

8 **THE COURT FINDS THAT:**

9 A. On February 17, 2025 (the "Petition Date"), Debtors each filed a voluntary petition
 10 for relief under chapter 11 of the Bankruptcy Code (the "Code").

11 B. Debtors continue in possession of Debtors' property and management of Debtor's
 12 businesses as Debtor-in-Possession, in accordance with sections 1107 and 1108 of the Bankruptcy
 13 Code. No trustee or examiner has been appointed. The Court has jurisdiction over this case under
 14 28 U.S.C. §§ 157 and 1334. Venue of this case is properly in this District under 28 U.S.C. §§ 1408
 15 and 1409. This matter is a core proceeding under 28 U.S.C. §157(b).

16 C. Without the use of cash collateral and use of its existing cash management system,
 17 Debtors assert they have insufficient funds to provide to their hotel management company, RRH,
 18 for the ordinary operating expenses of the Sherwood Hotel and the Tigard Hotel. Debtors assert
 19 there is an immediate need to use cash collateral to pay the operating expenses of the Hotels and
 20 to preserve the value of Debtors' businesses.

21 D. Debtors assert that maintaining the DACA accounts and allowing L-O Sherwood
 22 and L-O Tigard (the "**Lien Creditors**") to sweep such accounts and release funds to RRH on a
 23 consensual basis is the most efficient means of maintaining ongoing operations of the Hotels
 24 without disruption.

25

26

E. Debtors assert that the Lien Creditors appear to have security interest/liens upon the Cash Collateral as of the Petition Date; those Lien Creditors, as set forth by the Debtors in the Motion, are as follows:

Lien Creditor	Approximate Amount Owning	Cash Collateral Property Value*	Brief Collateral Description
L-O Sherwood	\$11,300,000.00	Unknown	Sherwood Property, including rents and proceeds; All personal property
L-O Tigard	\$23,800,000.00	Unknown	Tigard and Sherwood Properties, including rents and proceeds; All personal property

* Cash Collateral Property Value does not include value of other collateral

F. Debtors assert that other than the Lien Creditors, Debtors are not aware of any parties holding an interest in Cash Collateral.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. Pursuant to sections 105(a) and 363(c)(2) of the Bankruptcy Code, Debtors are authorized to use the cash collateral of L-O Sherwood and L-O Tigard during these chapter 11 cases to pay the ordinary expenses of the Hotels as requested by RRH along with any fees accrued and owing to RRH. Such use will be with the consent of L-O Sherwood or L-O Tigard and subject to the procedures set out in this Order.
3. Use of the cash collateral of L-O Sherwood and L-O Tigard will be conducted under the following procedures:
 - a. Receipts from rents, fees, and other charges related to the operations of the Hotels will be deposited into the Debtors' existing accounts at Wells Fargo subject to DACAs in favor of L-O Sherwood or L-O Tigard;

1 b. Funds so deposited in the Wells Fargo accounts subject to DACAs will be
2 swept into other accounts held and maintained by the Debtors at Wells Fargo or other, approved
3 debtor-in-possession accounts established by the Debtors after the Petition Date.

4 c. RRH will submit requests to L-O Sherwood or L-O Tigard for payment of
5 ordinary expenses and its fees in the same manner and on the same timeframe as it has customarily
6 done prepetition; provided, however, that nothing in this Order will prevent Debtors, RRH, L-O
7 Sherwood, and L-O Tigard from changing the manner and timing of such requests by agreement;

8 d. L-O Sherwood or L-O Tigard will review and approve the requests from
9 RRH, along with any requests from the Debtors to pay fees under 28 U.S.C. §1930(a)(6), and
10 release such funds to permit RRH to pay the approved expenses and fees on a timely basis; and

11 e. RRH will ensure that the approved expenses and fees, including the
12 approved fee requests from the Debtors, are paid and provide the Debtors with a monthly
13 reconciliation, by the 15th of each successive month following the Petition Date, of the Debtors'
14 Wells Fargo accounts and the amounts expended in connection with the operation of the Hotels.

15 f. Beginning after the first full calendar month after the Petition Date, amounts
16 remaining from the monthly income after payment of the approved expenses and fees will be paid
17 to L-O Sherwood (as to Sherwood Hospitality Group) and L-O Tigard (as to DVKOCR) as
18 adequate protection and applied by the respective Lien Creditor to their outstanding claim balance
19 in accordance with any applicable agreements with the Debtor(s).

20 i. At the same time as such monthly income and expense information
21 is supplied to the Debtors, RRH will supply the same information to the Lien
22 Creditors.

23 ii. The Lien Creditors may then submit an authorization for payment
24 to RRH in accordance with the remaining income after expenses and fees but in no
25 event in an amount greater than the Net Income on Exhibits 1 and 2 (described
26 below) for any given month.

1 iii. On request from the Debtor(s), the Lien Creditors will provide a
 2 statement of the application of such adequate protection payments within three (3)
 3 business days of such request.

4 iv. Debtors and Lien Creditors agree that amounts remitted to Lien
 5 Creditors in accordance with the provisions of this Order are sufficient to meet the
 6 requirements of section 362(d)(3)(B) of the Bankruptcy Code.

7 5. RRH's payment of expenses will be according to the terms of its Hotel Management
 8 Agreements with the Debtors and according to the Annual Plan developed in connection with the
 9 same. The Annual Plan for the Sherwood Hotel is attached to this Order as Exhibit 1, and the
 10 Annual Plan for the Tigard Hotel is attached to this Order as Exhibit 2.

11 6. Pursuant to section 105(a) and 345, and to facilitate the use of cash collateral
 12 authorized in this Order, Debtors are authorized to maintain and use its prepetition accounts at
 13 Wells Fargo, including those subject to DACAs in favor of L-O Sherwood and L-O Tigard.
 14 Specifically, Debtors are authorized to maintain and use the Wells Fargo accounts ending in (last
 15 4) 9037 and 7697. Debtors will cease using all other prepetition bank accounts at any other
 16 financial institution(s) and direct the funds held in such accounts to the authorized Wells Fargo
 17 accounts or newly-opened, debtor-in-possession accounts, as appropriate.

18 7. This Order shall be deemed to constitute a security agreement under the applicable
 19 provisions of the Uniform Commercial Code ("UCC") in effect in states where the Debtor (a) is
 20 domiciled, (b) operate its business, and (c) maintain its principal place of business. The continuing
 21 lien provided under section 552(b)(2) is be a valid, perfected and enforceable security interest and
 22 lien on the property of the Debtors and the Debtors' estates without further filing or recording of
 23 any document or instrument or any other action, but only to the extent of the enforceability of Lien
 24 Creditors' security interests in the Prepetition Collateral. Notwithstanding the foregoing, each
 25 Debtor is authorized and directed to execute and deliver to Lien Creditor(s) such financing
 26

1 statements, instruments, and other documents as Lien Creditor(s) may deem necessary or desirable
2 from time to time.

3 8. Nothing in this Order shall be construed to (a) prejudice a right of any party in
4 interest (including each of the Debtors) to contest the validity, priority or extent of the liens or
5 security interests of any party in any collateral or in the proceeds thereof, as of, on, or after the
6 Petition Date; (b) grant a security interest in the debtor-in-possession or trustee's avoidance
7 powers; (c) convert any pre-petition obligations into post-petition obligations; (d) require payment
8 of any obligations on confirmation of a plan of reorganization; (e) alter, improve, limit or impair
9 the rights, if any, of parties claiming to have rights of reclamation against a Debtor, or a Debtor's
10 assets or (f) enhance the secured position of any creditor as of the Petition Date.

11 9. Debtors are authorized to execute and deliver to the Lien Creditors such instruments
12 considered by them to be necessary or desirable to perfect the security interests and liens given to
13 them herein, and said parties are authorized to receive, file, and record the same.

14 10. Nothing contained in this Order shall constitute a determination as to the amount,
15 validity or priority of any pre-petition obligation, security interest or lien and all rights or parties
16 in interest to claim that any pre-petition lien or security interest in a Debtor's property is
17 unperfected, unenforceable, invalid or voidable, are reserved. Additionally, nothing in this Order
18 shall constitute an admission or acknowledgment by either Debtor that any party has a valid or
19 perfected lien in the cash of a Debtor now existing or subsequently received, and the references
20 herein to "Cash Collateral" is without prejudice to all rights, defenses and claims of either Debtor
21 to contend that any party does not have a perfected lien or security interest in such cash.

22 11. The provisions hereof and the effect of any actions taken hereunder shall survive
23 issuance and entry of any order: (a) confirming any plan of reorganization or liquidation; (b)
24 appointing an examiner for a Debtor; (c) converting a Debtor's case to one under chapter 7 of the
25 Code; or (d) dismissing a Debtor's case. The priorities, liens and security interests granted herein
26 shall continue in these or any superseding cases under the Code, and any such liens and security

interests shall maintain its priority as provided herein until satisfied and discharged subject to the Code.

12. In the event any or all of the provisions of this Order are hereafter modified, amended or vacated by a subsequent order of this or any other court, no such modification, amendment or vacation shall affect the validity and enforceability of any lien or priority authorized or created hereby. Notwithstanding any such modification, amendment or vacation, any claim granted hereunder arising prior to the effective date of such modification, amendment or vacation shall be governed in all respects by the original provisions of this Order.

13. This Order does not grant authority to either Debtor to pay any pre-petition obligation, expense, or debt or to pay any administrative expense claims under Section 503(b)(9). Debtors may only pay such administrative expense claims upon further order of this Court after the filing of an appropriate motion and notice of the same.

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CERTIFICATION OF COMPLIANCE WITH LBR 9021-1(a)

I certify that I have complied with the requirements of LBR 9021-1(a); the Proposed Order was served with the Motion.

PRESENTED BY:

SUSSMAN SHANK LLP

Douglas R. Ricks, OSB No. 044026
dricks@sussmanshank.com
Proposed Attorneys for Debtors

	Full Year - Summary Income Statement													
	Year - January-December, 2025 - Budget													
	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	Total	
PDXSH - Hampton Inn & Suites Sherwood	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	%REV
Available Rooms	2,263	2,044	2,263	2,190	2,263	2,190	2,263	2,263	2,190	2,263	2,190	2,263	26,645	
Occupied Rooms	1,696	1,543	1,642	1,554	1,635	1,949	2,035	2,039	1,689	1,726	1,546	1,576	20,630	
Occupancy	74.9	75.5	72.6	71.0	72.2	89.0	89.9	90.1	77.1	76.3	70.6	69.6	77.4	
ADR	119.56	120.56	124.60	132.40	130.12	152.02	152.93	158.83	145.87	140.73	127.49	116.55	136.37	
RevPAR	89.60	91.01	90.41	93.95	94.01	135.29	137.52	143.11	112.50	107.33	90.00	81.17	105.58	
Revenues														
Room Revenue	204,775	187,862	206,539	207,589	214,682	298,571	313,578	326,239	248,360	244,929	198,928	185,556	2,837,608	98.8
Food and Beverage Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Meeting Room Revenue	500	500	750	750	750	750	750	750	750	750	500	250	7,750	0.3
Other Revenue	2,154	1,960	2,085	1,974	2,076	2,475	2,584	2,590	2,145	2,192	1,963	2,002	26,200	0.9
Total Departmental Revenue	207,429	190,322	209,374	210,313	217,509	301,796	316,912	329,579	251,255	247,871	201,391	187,808	2,871,558	100.0
Departmental Expenses														
Rooms	58,405	53,190	57,346	55,120	57,970	65,080	67,682	68,082	58,989	60,084	54,972	55,774	712,694	25.1
F&B	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Meeting Room	25	25	25	25	25	25	25	25	25	25	25	25	300	3.9
Other	1,077	980	1,043	987	1,038	1,238	1,292	1,295	1,073	1,096	982	1,001	13,102	50.0
Total Departmental Expenses	59,507	54,195	58,414	56,132	59,033	66,343	68,999	69,402	60,087	61,205	55,979	56,800	726,096	25.3
DEPARTMENTAL PROFIT	147,922	136,126	150,961	154,180	158,475	235,453	247,914	260,177	191,168	186,666	145,412	131,008	2,145,463	74.7
Undistributed Expenses														
Administrative & General	22,695	33,326	24,750	22,356	22,977	24,917	25,761	39,565	23,802	23,827	22,506	22,546	309,028	10.8
Information & Technology	4,310	4,310	4,310	4,310	4,310	4,310	4,310	4,310	4,310	4,310	4,310	4,310	51,720	1.8
Sales & Marketing	31,303	29,026	31,551	31,707	32,660	44,022	46,050	47,771	37,232	36,760	30,531	28,707	427,319	14.9
Repairs & Maintenance	13,123	10,736	14,989	13,731	13,127	12,429	15,572	18,181	11,293	16,609	10,875	11,181	161,845	5.6
Utilities	10,057	9,150	9,737	9,215	9,696	11,558	12,068	12,091	10,016	10,235	9,168	9,346	122,336	4.3
Total Undistributed Expenses	81,489	86,548	85,336	81,319	82,770	97,236	103,759	121,919	86,653	91,741	77,389	76,089	1,072,248	37.3
GROSS OPERATING PROFIT	66,433	49,579	65,624	72,862	75,705	138,217	144,154	138,258	104,515	94,925	68,023	54,919	1,073,214	37.4
Non-Operating Expenses														
Management Fees	6,083	5,581	6,138	6,172	6,382	8,889	9,336	9,716	7,391	7,287	5,913	5,511	84,399	2.9
Insurance - Property & Casualty	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000	1.5
Business Taxes	0	0	0	0	0	150	0	0	0	0	0	0	150	0.0
Personal Property Taxes	50	50	50	50	50	50	50	50	50	50	50	50	600	0.0
Real Estate Taxes	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	1.0
Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Owner Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Asset Management Fee	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	1.0
TOTAL NON-OPERATING OTHER EXPENSES	14,633	14,131	14,688	14,722	14,932	17,589	17,886	18,266	15,941	15,837	14,463	14,061	187,149	6.5
Total Non-Operating Expenses	14,633	14,131	14,688	14,722	14,932	17,589	17,886	18,266	15,941	15,837	14,463	14,061	187,149	6.5
EBITDA	51,800	35,448	50,936	58,139	60,773	120,628	126,268	119,992	88,574	79,089	53,560	40,858	886,066	30.9
Fixed Expenses														
NET INCOME/(LOSS)	51,800	35,448	50,936	58,139	60,773	120,628	126,268	119,992	88,574	79,089	53,560	40,858	886,066	30.9

	Full Year - Summary Income Statement													
	Year - January-December, 2025 - Budget													
	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	Total	
PDXTG - Hampton Inn & Suites Portland Tigard	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	AMT	%REV
Available Rooms	4,712	4,256	4,712	4,560	4,712	4,560	4,712	4,712	4,560	4,712	4,560	4,712	55,480	
Occupied Rooms	2,834	2,646	3,125	3,276	2,836	3,478	3,780	3,467	2,851	2,722	2,402	2,463	35,880	
Occupancy	60.1	62.2	66.3	71.8	60.2	76.3	80.2	73.6	62.5	57.8	52.7	52.3	64.7	
ADR	121.82	126.94	132.73	132.72	139.27	152.11	151.47	153.03	143.83	135.29	136.00	124.34	138.49	
RevPAR	73.27	78.92	88.02	95.35	83.82	116.02	121.51	112.60	89.92	78.16	71.64	64.99	89.57	
Revenues														
Room Revenue	348,724	339,189	418,782	438,993	398,717	533,870	577,786	535,373	413,877	371,801	329,809	309,308	5,016,228	98.2
Food and Beverage Revenue	2,380	2,222	2,625	2,751	2,382	2,921	3,175	2,912	2,394	2,286	2,017	2,068	30,133	0.6
Meeting Room Revenue	2,590	2,627	4,012	3,947	4,189	4,065	4,088	4,102	3,946	3,956	2,944	2,866	43,332	0.8
Other Revenue	3,811	3,608	4,125	4,288	3,813	4,506	4,832	4,494	3,829	3,690	3,344	3,410	47,750	0.9
Total Departmental Revenue	355,124	345,423	426,919	447,229	406,719	542,441	586,706	543,969	421,652	379,446	336,097	315,584	5,107,310	100.0
Departmental Expenses														
Rooms	89,401	85,913	97,543	100,648	91,231	107,698	115,778	110,681	92,173	87,359	79,787	81,142	1,139,354	22.7
F&B	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Meeting Room	69	42	67	55	46	63	73	85	41	31	21	21	615	1.4
Other	1,550	1,449	1,712	1,794	1,556	1,903	2,066	1,897	1,564	1,495	1,317	1,350	19,653	41.2
Total Departmental Expenses	91,020	87,404	99,322	102,497	92,834	109,664	117,917	112,664	93,778	88,884	81,125	82,514	1,159,622	22.7
DEPARTMENTAL PROFIT	264,104	258,019	327,596	344,732	313,886	432,777	468,789	431,305	327,874	290,562	254,972	233,070	3,947,688	77.3
Undistributed Expenses														
Administrative & General	30,421	38,699	32,024	32,030	31,480	34,655	36,423	50,648	31,427	30,616	29,014	28,793	406,229	8.0
Information & Technology	4,185	4,185	4,185	4,185	4,185	4,185	4,185	4,185	4,185	4,185	4,185	4,185	50,220	1.0
Sales & Marketing	52,674	51,144	62,060	64,585	59,648	77,311	83,361	77,950	61,246	55,782	50,242	47,410	743,411	14.6
Repairs & Maintenance	22,247	17,610	19,464	24,529	16,772	18,207	21,419	18,600	16,710	18,807	16,939	15,377	226,681	4.4
Utilities	19,271	17,993	21,250	22,277	19,285	23,650	25,704	23,576	19,387	18,510	16,334	16,748	243,984	4.8
Total Undistributed Expenses	128,798	129,630	138,983	147,606	131,369	158,008	171,092	174,958	132,954	127,899	116,714	112,514	1,670,525	32.7
GROSS OPERATING PROFIT	135,307	128,389	188,614	197,126	182,516	274,769	297,697	256,347	194,920	162,663	138,258	120,556	2,277,162	44.6
Non-Operating Expenses														
Management Fees	10,654	10,363	12,808	13,417	12,202	16,273	17,601	16,319	12,650	11,383	10,083	9,468	153,219	3.0
Insurance - Property & Casualty	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000	1.3
Business Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Personal Property Taxes	3,709	3,709	3,709	3,709	3,709	3,709	3,709	3,709	3,709	3,709	3,709	3,709	44,508	0.9
Real Estate Taxes	3,404	3,404	3,404	3,404	3,404	3,404	3,404	3,404	3,404	3,404	3,404	3,404	40,848	0.8
Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Owner Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Asset Management Fee	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	1.2
TOTAL NON-OPERATING OTHER EXPENSES	28,267	27,976	30,421	31,030	29,815	33,886	35,214	33,932	30,263	28,996	27,696	27,081	364,575	7.1
Total Non-Operating Expenses	28,267	27,976	30,421	31,030	29,815	33,886	35,214	33,932	30,263	28,996	27,696	27,081	364,575	7.1
EBITDA	107,040	100,414	158,193	166,096	152,702	240,882	262,483	222,415	164,658	133,667	110,562	93,476	1,912,587	37.4
Fixed Expenses														
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Total Fixed Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
NET INCOME/(LOSS)	107,040	100,414	158,193	166,096	152,702	240,882	262,483	222,415	164,658	133,667	110,562	93,476	1,912,587	37.4